

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

April 18, 2001 LB 641, 743

agreement and that term is used to replace "rental purchase agreement." We indicate that advertisements in store don't have to have the disclosures on them. There are some stores that wanted to have banners or signs in the windows, but the rent-to-own statute says that all solicitations like that will have the terms written out. And they didn't want to write a banner and write all these rather minuscular terms on the banner so it does say that in-store advertisements such as sign windows and ceiling banners don't have to have all of the disclosure statements on them. We make a new term called the total of payments to acquire ownership so that we can label all of the fees that have to be told to the purchaser or the renter at the time of renting. And that fee will include lease payments, and that means the number, amount, timing, and total of those payments. It will also mean any initial nonrefundable administration fee like an origination fee or required delivery charges, any charges that are used to acquire ownership. However, we also identify some fees which are not known at the time or which are changeable or which are not as an incident to the contract. And they do not have to be included in this amount, and that includes taxes or late charges because, of course, that depends on the behavior of the consumer; reinstatement fees, that, too, because of the consumer, or charges for optional products or services not associated with the rental. There are places that sell, for example, I believe like some 3-in-1 oil or something like that that you might get at the same time. Well, that wouldn't have to be part of this disclosure. In addition to that, under the disclosure we make clear again that the property is not the consumer's until they've paid the total of those payments. That we list out the charges that it does not include which I've just recited. Also an indication, there has to be an indication that the consumer is responsible for the fair market value of the remaining rent or early purchase cost of the property, whichever is less. So if the value of the product is less than the payments, then it's the value the product. If the amount of the payments is less than the value of the product, then it's the amount of the payments, whichever is less. But that needs to be on the face of the agreement. And those terms, by the way, are essentially terms from a separate bill, LB 743, that were put into this bill by the committee at the time of the hearing. I would ask for